

a retail and a resale basis under tariff, where so required, including without implied limitation, selling, leasing or otherwise offering to the public terminal equipment, and to engage in activities necessary thereto. It is contemplated that the Company will perform its own marketing with respect to such service and will sell cellular service to others at a discount for resale to the public or at bulk rates, and that any Party may purchase such service for resale to the public on terms no more favorable than those offered to others, provided however that a Party may purchase such service for resale pursuant to procedures and conditions which conform to all federal laws.

2.3 Ownership. The Company shall be owned 51% by Telephone and 49% by Star. For all purposes, the 49% ownership of Star shall not be attributable to Star's respective ownership interests, such being recognized as a single entity.

2.4 Term. The Joint Venture shall commence as of the date of this Agreement and shall continue until terminated in accordance with the provisions hereof.

2.5 Status of Company. The Joint Venture Partners intend that the Company qualify as a "common carrier also engaged directly or indirectly in the business of affording public landline message telephone service" for the purposes of filing an application to the FCC for one or more Cellular Systems. The Company shall take all necessary steps to so qualify.

### ARTICLE III

#### Interests of the Partners

3.1 Title to Property. Title to all property required for operation of this Joint Venture Agreement and the System anticipated hereunder, whether real or personal and wherever located, shall be vested in the Company.

3.2 Capital Accounts. An individual capital account ("Capital Account") shall be maintained for each Partner, which shall consist of such Partner's capital contributions, if any, adjusted to reflect the addition of net profits of the Company allocated to such Partner pursuant to Section 3.3, and minus (i) net losses of the Company allo-

cated to such Partner pursuant to Section 3.3, and (ii) all distributions (whether in cash or in kind) made by the Company to such Partner pursuant to Section 3.4 hereof; provided, however that any contributions made by a Partner which are identified other than as such shall constitute a non-interest bearing loan due and payable upon ninety (90) days written notice from that Partner to the Company and shall not be construed to constitute an addition to its respective Capital Account.

3.3 Profits, Losses and Credits. All of the net profit or loss of the Company shall be determined in accordance with generally accepted accounting principles consistently applied. Net profit and net loss shall be allocated on a quarterly basis to the Partners' respective Capital Accounts in accordance with their respective ownership interests as stated in Section 2.3. Profits and losses, and items of tax credit and deduction, for Federal and state income tax purposes shall be recognized by the Parties in a manner consistent with the allocations made for Capital Account purposes pursuant to this Section.

3.4 Distribution. At such time as the Company shows a Cumulative Net Profit, distributions to the Parties will be made in accordance with the ratio of allocation of profit stated in Section 3.3 above if deemed appropriate by the Management Committee. Distributions pursuant to this Section shall be made not less frequently than annually; however, no Partner shall be required to make a capital contribution to provide the funds necessary to make such distribution, nor shall the Company be required to borrow money for such purposes, and distributions shall not be made unless they are consistent with the present and foreseeable cash flow requirements of the Company as determined by the Management Committee. Should a Partner decline to draw its distribution in whole or in part, the undistributed portion shall be treated as a non-interest bearing loan due and payable to the Partner upon ninety (90) days written notice to the Company and not as an addition to the respective Capital Account.

#### ARTICLE IV

##### Management of the Company

4.1 Management Committee. Except as otherwise expressly provided herein, complete and exclusive power to direct and control the Company is delegated to a Management Committee. The Management Committee will consist of not more than three representatives appointed by Telephone and not more than two representatives appointed by Star, to serve at the pleasure of the appointing Partner. Each representative shall be entitled to one vote in all decisions with respect to election of Chairman of the Committee and the appointment, promotion, salary or termination of officers; however votes cast upon all other decisions shall be weighted according to the Parties' respective Ownership Interests as stated in Section 2.3 above.

4.2 The Management Committee may act, pursuant to the provisions of this Agreement, through one or more managers, employees or agents. The Management Committee will move expeditiously to appoint a General Manager or to retain an appropriate entity to manage the System. Notwithstanding the provisions of Section 4.1 above, any decision with respect to appointment, compensation, or termination of such General Manager or other System management entity, shall require the vote of 80% of the members of the Management Committee. The Management Committee shall promptly establish an Engineering Subcommittee and may establish one or more additional subcommittees of its members or other representatives of the Parties and may delegate to such subcommittees such functions as it deems appropriate. Each member of a subcommittee shall be entitled to one vote upon matters delegated to the representative subcommittee. Each Party shall be entitled to at least one representative on each such subcommittee.

Meetings of the Management Committee and any subcommittee shall be held at the principal office of the Company or at such other place as may be determined by the Management Committee. Any subcommittee shall meet as required to carry out its assigned functions.

Meetings of the Management Committee or any subcommittee may be called by the Chairman or by the Parties possessing a majority interest in the Company on at least five (5) days' advance written notice to each member thereof, unless otherwise waived in writing. Such notice shall state the purpose or purposes for which such meeting is being called. The Chairman is responsible for calling meetings of the Management Committee at least once quarterly.

A meeting of the Management Committee or any subcommittee may be held by conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other.

Minutes reflecting the actions of the Management Committee and all subcommittees shall be kept by a Secretary designated by the Chairman. Copies of the minutes shall be maintained at the office of the Company and shall be transmitted to all Parties and to each member of the Management Committee or subcommittee taking the action within thirty (30) days after the meeting in question.

**4.3 Actions of Management Committee and Subcommittees.** Except as otherwise expressly provided herein, all actions of the Management Committee or any subcommittee may be taken directly, or may be delegated subject to ratification by the decision of the Management Committee.

Actions of the Management Committee or any subcommittee involving any of the matters enumerated below may be taken directly, or may be delegated, only upon or pursuant to the vote of 80% of the members of the Management Committee:

- (i) the entering into of any agreement or transaction between the Company and any Partner hereto, any Affiliate of a Partner or any director, officer or employee of a Partner; provided, however, that this shall not apply to agreements or transactions for the sale of Cellular service by the Company to a Partner at retail or for resale;
- (ii) distributions in amounts other than as provided by Section 3.4;

- (iii) merger or consolidation of the Company into or with any other entity;
- (iv) acquisition of any business entity if such acquisition results in the Company's engaging indirectly in any business other than Cellular Service;
- (v) admission of a new Partner to the Joint Venture;
- (vi) selection of the Referee pursuant to Section 11.1(b);
- (vii) determination of discounts for resale of cellular services to the public or for sale at bulk rates;
- (viii) the sale, transfer, encumbrance or other conveyance of substantially all of the assets of the Joint Venture other than in connection with the acquisition of operating equipment;
- (ix) engaging in any business other than that described in Section 2.2, except to such minor extent as may arise incident to the purposes stated in such Section 2.2;
- (x) changes in the method of allocating profits and losses to the Capital Account as set forth in Section 3.2;
- (xi) modification or changes in the Agreement;
- (xii) settling, compromising, accepting any settlement or compromise, or withdrawing any litigation, application, or pleading before any local, state or federal court or agency of competent jurisdiction; or
- (xiii) sale or other transfer of all or substantially all of the cellular operating capacity of the Company or the marketing rights thereto.

In any action requiring a vote of the Partners, a Partner may require a vote to be taken by introducing a written resolution at any meeting of the Management Committee, whereupon a vote upon such resolution must be taken within forty-five (45) days. If a Partner is absent, "abstains" from voting, or otherwise fails to vote "for" or "against" any such resolution, such failure to vote will be considered a vote "for" the resolution unless, within thirty (30) days after notice is given of the original vote on the action, such Partner notifies the Secretary of the meeting in writing of a vote "against" the action.

4.4 Delegation of Authority to Managers, Employees and Agents. The Management Committee may delegate to any managers, employees and agents of the Company or to any managers, employees, and agents of Telephone such authority as the Management Committee deems necessary and appropriate for the proper and timely conduct of business of the Company consistent with the duties and limitations of the Management Committee specified herein, except that no such delegation shall circumvent the provisions of Section 4.3.

4.5 Limitation of Duties of Star. Unless otherwise authorized or permitted by the FCC; Star, its Affiliates, directors, officers or employees shall not:

- (i) enter into any agreement or transaction with the Company for the construction, management, operation, maintenance of the Company's Cellular System in the Service Area; or the marketing of the Company's Cellular System services and products at the wholesale and/or retail level;
- (ii) construct, manage, operate, or maintain the Company's Cellular System in the Service Area; or
- (iii) market the Company's Cellular System services and products.

Notwithstanding the foregoing, Star, its Affiliates, directors, officers, and employees may enter into agreements with the Company as permitted by Sections 4.3(i) hereof for the purpose of executing its duties pursuant to Sections 4.1-4.3 hereof, or for the sale, purchase transfer, encumbrance, pledge, redemption, or assignment of its interest, in whole, or in part, in the Company pursuant to Sections 6.1-6.3 hereof.

4.6 Limitation on Acts of Partners. Except for matters expressly reserved to the Partners, neither they nor any of them shall have any power to direct, control, or manage the Company except through their representatives to the Management Committee, and any such action by a Partner shall be void.

ARTICLE V  
Accounts and Reports

5.1 Fiscal Year. The fiscal year of the Company shall end on December 31 in each year or such other date as may be approved by the Management Committee.

5.2 Books, Records and Reports. The Company shall maintain proper books and accounts in accordance with generally accepted accounting principles and the provisions of the Agreement. Each Partner or its duly authorized representatives shall at all reasonable times have access to the books and accounts kept by or for the Company. Annually upon the close of the year (or as otherwise approved by the Management Committee) all such books and accounts shall be audited by the Accountants.

The Company shall mail or otherwise communicate to each Partner hereto the following reports:

- (i) Within 30 days after the end of each calendar month a monthly income statement signed by the General Manager or other appropriate officer designated by the Management Committee.
- (ii) Within 30 days after the end of each of the first three quarters of each fiscal year, a balance sheet of the Company as of the end of such quarter and a statement of income and earnings and a statement of changes in financial position for the Company for such quarter and for the year to date, setting forth in each case in comparative form the figures as of the end of and for the corresponding periods of the previous fiscal year and such other financial and operating information which may be reasonably requested by any Party. All such reports will be signed by the officer designated pursuant to subsection (i) above.
- (iii) Within 60 days after the end of each fiscal year, audited financial statements including a balance sheet of the Company as of the end of such year, including a statement of changes in financial position for the Company for such year, setting forth in each case in comparative form the figures as of the end of, and for the previous, fiscal year, together with all

necessary footnotes and the opinion of the Accountants.

- (iv) Within 60 days after the end of each fiscal year, all necessary financial and other data required by each Partner for inclusion in or preparation of its tax returns.
- (v) Within 60 days after the end of each fiscal year a statement from the Accountants certifying the accuracy of any allocations called for by this Agreement.

In addition to the Capital Accounts required by Section 3.2, there shall be established for each Partner on the books of the Partnership such other accounts as shall be deemed necessary or desirable by the Management Committee.

5.3 Right of Inspection. Each of the Parties shall also have the right at its own risk and expense to examine and inspect, at any reasonable time and for any purpose, properties and/or operations of the Company, provided that such examination or inspection shall not unreasonably interfere with the Company's operations.

## ARTICLE VI

### Transfers of Interest

6.1 Restrictions on Transfers. Except as provided herein, no Partner shall have the right to sell, transfer, encumber, or assign its interest, in whole or in part, in the Company, even to another Partner hereto. Any attempted sale, transfer, assignment or encumbrance otherwise than as permitted by this Section shall be void and of no force and effect. In the event that FCC approval of any such permitted sale, transfer, assignment or encumbrance is required, such sale, transfer, assignment or encumbrance shall not be consummated until such required FCC approval has become a Final Order and the consummation of such sale, transfer, assignment or encumbrance shall be in all respects in accordance with such FCC approval. The transferee of the interest of any Partner pursuant to the provisions of this Section 6.1 shall become a Joint Venture Partner and shall assume all of the transferor's rights, obligations, and liabilities as Partner (including all its rights, obligations and liabilities under this Agreement). In order for such transfer to become valid, the transferor shall, as a condition to any sale, transfer,



assignment or encumbrance, require the transferee by appropriate and valid written instruments to so assume such obligations and liabilities. No sale, transfer, assignment or encumbrance of the interest of any Partner shall relieve the transferring Partner of any of its obligations and liabilities hereunder; provided, however, that in the event that any Partner, pursuant to the terms of this Agreement, transfers its entire ownership interest, such Partner shall have no further liability under this Agreement for the acts, or failures to act, of the transferee of such Partner on and after the effective date of such transfer. A Partner may encumber its Partnership Interest but the secured party shall take its security interest subject to the rights of the remaining Partners to purchase the encumbered interest in accordance with Section 6.2 should the secured Party seek to enforce its security interest.

The restrictions specified in this Article shall not apply to the sale or transfer of the entire interest of a Partner to a wholly-owned subsidiary, parent or commonly controlled Affiliate of that Partner.

6.2 Right of First Refusal — Third Party Transactions. No Partner shall sell, transfer or assign its interest in the Company to a third party except after giving the other Partners a right of first refusal to acquire such interest. Any Partner desiring to transfer its interest, or any portion thereof, in accordance with Section 6.1, shall first offer such interest to the other Partners, by written notice, at the same price and upon the same terms offered by a bona fide purchaser. In the event that the price or other terms are unique to the third party transferee, the other Partners shall be entitled to match such terms or conditions with economically equivalent terms or conditions. Such written notice shall specify the interest to be conveyed, the terms and conditions on which such conveyance is proposed to be made, and the identity of such purchaser. During a period of sixty (60) days after such written notice is received, the other Partners shall have the exclusive right to purchase on a pro rata basis such interest upon the terms and conditions therein provided. Interests proposed to be sold which are not purchased by one of the Partners shall then be offered to the other Partner(s), if any, for a period of fifteen (15) days. Should such Partner or Partners elect not to acquire the interest, the terms and conditions for the sale to the bona fide purchaser may not be renegotiated or modified, without first re-offering the interest upon the modified terms and conditions to the other Partner or Partners for the periods specified above.

Thereafter, such interest may be transferred upon unanimous approval of the Partners, which approval will not be unreasonably withheld.

The closing of a transaction in which an interest is purchased by a Partner pursuant to the foregoing provisions of this Section shall be made within thirty (30) days after the purchasing Partner or Partners shall have notified the selling Partner of its decision to purchase the interest or, if approval of the FCC is required, within thirty (30) days after the release date of an order granting such approval, or, if such an order has been stayed or enjoined by a court of competent jurisdiction prior to such payment and delivery, within thirty (30) days following the date on which such stay or injunction is no longer in effect; provided, however, that if such order has not been released or if such stay or injunction is in effect, within six (6) months after the purchasing Partner or Partners shall have notified the selling Partner of its decision to purchase such interest, the purchasing Partner or Partners may terminate its or their obligation to purchase such interest upon ten (10) days written notice to the selling Partner.

6.3 Right of First Refusal — Inter-Partner Transactions. No Partner or its Affiliates shall acquire, whether by purchase, merger, or joint venture, directly or indirectly, any interest in any other Partner except after complying with the following procedure. In the case of a cash purchase, the acquiring Partner or its Affiliate must first offer to the remaining Partner(s) an opportunity to acquire that portion of the interest being acquired which is sufficient to result in the equalization, or as close an approximation thereto as is possible, of the Partnership Ownership Interests of the acquiring and the remaining Partner(s) at a pro rata purchase price. In the case of a non-cash transaction, such as a merger or joint venture, the remaining Partner(s) must be given an opportunity to acquire that portion of the interest being acquired which is sufficient to result in the equalization, or as close an approximation thereto as is possible, of the Partnership interest of the acquiring and the remaining Partner(s) at a pro rata purchase price determined on the basis of the reasonable economic equivalent of the non-cash consideration. The remaining Partner(s) must be given sixty (60) days' written notice of the proposed transaction within which to accept the opportunity presented therein. If the remaining Partner(s) accepts such opportunity, the transaction will be closed within thirty (30) days of that Partner's acceptance.

## ARTICLE VII

### Dissolution or Termination of a Partner's Ownership Interest

7.1 Dissolution. The Joint Venture shall continue until the occurrence of any of the following events:

- (i) The Partners unanimously agree in writing to terminate the Joint Venture;
- (ii) The FCC issues a final order refusing to approve this Agreement or the FCC issues a final order denying the application for the System;
- (iii) The bankruptcy of a Partner, as defined in Section 7.3 below;
- (iv) Any Partner dissolves the Joint Venture other than as permitted in this Section.

7.2 Right to Continue. If the Company is dissolved pursuant to Section 7.1(iv) or (v) above, the other Partners agree, in order to ensure uninterrupted service to the public, to continue to operate the System, in which event the Partner causing the dissolution shall sell its Ownership Interest to the continuing Partners pro rata for an amount equal to that part of the book value of the Company represented by such Ownership Interest (determined in accordance with generally accepted accounting principles).

7.3 Bankruptcy of a Partner. For the purpose of this Joint Venture Agreement, the "Bankruptcy of a Partner" shall be deemed to have occurred upon the happening of any of the following:

- (i) The filing of an application by such Partner for, or consent to, the appointment of a trustee over all or substantially all of its assets;
- (ii) The filing by such Partner of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing its inability to pay its debts as they become due;

- (iii) The making by such Partner of a general assignment for the benefit of creditors;
- (iv) The filing by such Partner of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a bankruptcy petition filed against it in any bankruptcy proceeding, or;
- (v) The entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Partner bankrupt or appointing a trustee over its assets, and such order, judgment, or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

7.4 Material Breaches. In the event that any Partner materially breaches any material covenant, representation or warranty hereunder which is not cured within thirty (30) days after written notice is provided to such Partner, then the breaching Partner shall sell its Ownership Interest to the other Partners, pro rata, for an amount equal to that part of the Company's book value (determined in accordance with generally accepted accounting principles) represented by the breaching Partner's Ownership Interest. In the event any non-breaching Partner(s) does not wish to purchase its pro rata portion, then any other non-breaching Partner may purchase such portion. Moreover, the non-breaching Partner(s) may by unanimous vote waive this requirement, but such waiver shall not relieve the breaching Partner of its liability for any and all losses, expenses, or other damages, if any, suffered or incurred by the Company as a result of the breach. If, subsequent to a Final Order, the FCC should make a determination that any Partner is unfit to be a system licensee, which determination is no longer under reconsideration, stay, or appeal and the time for seeking reconsideration, stay, or appeal has expired, that Partner shall dispose of its interest in the Company in accordance with Section 6.2 or in such manner as the FCC may approve or require.

ARTICLE VIII  
Provisions Concerning Dissolution  
of Joint Venture or Default

8.1 Winding Up. In the event of the dissolution of the Company for any reason, unless the Company is continued pursuant to Section 7.2, the Partners not causing

the dissolution shall proceed promptly and continue with reasonable expedition to wind up the affairs of and liquidate the Company. The Partners shall continue to share all items of income, gain, loss, deduction or credit for tax purposes and all profits and losses for accounting purposes during the period of liquidation in the same manner as before the dissolution. The Partners charged with winding up the affairs of the Joint Venture shall have full right and unlimited discretion to determine the time, manner, and terms of any sale or sales of property pursuant to such liquidation, and to establish reserve funds for contingent or unforeseen liabilities or obligations.

8.2 Distribution Upon Liquidation. After paying or providing for the payment of all debts and liabilities of the Company and all expenses of liquidation, and subject to the right specified in Section 8.1 of the Partner(s) to establish such reserves as they may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company, the proceeds of the liquidation and any other assets of the Partnership shall be distributed to the Partners in accordance with their respective capital accounts until the balances in such accounts have been reduced to zero and thereafter in accordance with their respective Ownership Interests.

8.3 Statement of Liquidation. Within a reasonable time following the completion of the liquidation of the Company, a statement (audited by the Company's independent public accountants) shall be submitted to each Partner which shall set forth the assets and liabilities of the Company as of the date of liquidation and each Partner's pro rata portion of the distribution pursuant to Section 8.2.

8.4 Cancellation of Partnership. Upon complete liquidation of the Company and the distribution of all assets, this Agreement shall terminate and each Partner shall have the authority to execute and record a certificate of cancellation of the Joint Venture as well as any and all of the documents required to effectuate the liquidation and termination thereof.

8.5 Right to Set Off. Any Partner in default under this Agreement or who dissolves the Joint Venture pursuant to Section 7.1(iv) or (v) or who is required to sell its Ownership Interest pursuant to Section 7.4, shall be liable to the Company for any

and all damages, losses and expenses suffered or incurred by the Company as a result of such default. The exercise by a non-defaulting Partner of the rights provided in Section 7.2 or 7.4 above shall not constitute a waiver by it or the Company of any right or remedy against the defaulting Partner arising from a default under this Agreement, including the right to set off any damages suffered against any amount owed to the defaulting Partner pursuant to Sections 7.2 and 7.4.

**ARTICLE IX**  
**Provision Concerning**  
**Buyout Option**

**9.1 Buyout of Telephone and Star**

(a) At any time after commencement of operation of the System, Telephone has the option to require Star to buy its Partnership Ownership Interest and Star has the option to require Telephone to buy its Partnership Ownership Interest, provided that such a transaction will not render the Company ineligible to retain its FCC or any other required authorization for the System. Telephone or Star shall exercise its option by written notice to the other party. Within ten (10) days of receipt of notice, the other party can by written notice exercise its option, in which case the dispute shall be submitted to arbitration pursuant to Section 12.7. The closing of any sale under this section will take place within thirty (30) days of the date of the determination by appraisal of the purchase price and the receipt of FCC and any other required regulatory approvals. At the closing, the purchaser shall pay the seller twenty (20) percent of the purchase price. The purchaser shall pay the remaining eighty (80) percent of the purchase price in equal quarterly payments for a period of ten (10) years, plus interest paid quarterly at ten (10) percent per annum on the remaining unpaid principal amount. The purchaser shall give the seller a secured interest in the System as security for the remaining unpaid principal amount.

(b) The purchase price for the seller's Partnership Ownership Interest sold pursuant to this section shall be the Appraisal Value. Appraisal Value means the fair market value of the seller's Partnership Ownership Interest as determined by three appraisers. One appraiser shall be chosen by Telephone, one shall be chosen by Star, and the third shall be chosen by the appraisers selected by the parties. Selection of

appraisers will take place within thirty (30) days of the date of notice of exercise of the option to buy or sell. If the first two appraisers are unable to agree on the selection of a third appraiser, the third appraiser shall be selected by the chief officer in the New Orleans area of the American Arbitration Association. Each appraiser shall be knowledgeable in the telecommunications business. The decision of the appraisers shall be rendered within thirty (30) days of the selection of the third appraiser by majority vote. Any dispute among the appraisers which cannot be resolved by majority vote shall be submitted to arbitration in accordance with Section 12.7.

ARTICLE X  
Specific Covenants,  
Representations and Warranties

10.1 Application for License. The Parties shall cooperate in good faith in filing the necessary papers and otherwise supporting the Company's efforts to secure FCC approval of this Joint Venture Agreement, and the granting of a license to operate the System; however it is understood that all expenses of filing and prosecuting the application for said license shall be borne by Star, such expenses to be reimbursed out of such revenues or external financings of the Company as shall be first available for distribution.

10.2 Limitation upon Financial Exposure of Telephone. It is mutually agreed that Telephone shall not be subject to any degree of financial exposure until such time as a Construction Permit has been granted by the FCC; provided, however, that any Partner dissatisfied with any condition(s) imposed on the grant of a Construction Permit to the Company may at its sole expense, petition for reconsideration of that grant limited to the acceptability of such condition(s) and/or appeal to a court the lawfulness of imposing such condition(s) on the grant.

10.3 Representations and Warranties. Each Partner represents and warrants that (1) it is a corporation duly incorporated, validly existing and in good standing in the jurisdiction of its incorporation; (2) it has full corporate power and authority to enter into this Joint Venture Agreement and to perform its obligations hereunder; (3) the execution of this Agreement has been duly authorized by all necessary and appropriate

corporate action; (4) the execution of this Agreement and the performance of its obligations hereunder will not conflict, or result in a breach of or default under, any agreement or instrument material to it, to which it is a Partner or by which it is bound, or any order, decree or judgment of any court or governmental agency or body; (5) it is and will remain qualified to hold a construction permit and/or system license under the applicable FCC Rules and Regulations; (6) it has no knowledge of any fact or circumstance which would disqualify it or the Joint Venture from being granted a construction permit or license to operate the System; and (7) all Partners' representatives on the Management Committee shall have full power and authority to vote for the Partner upon all matters described in Article IV hereof and such authority shall not be abrogated until a successor is appointed.

Each Partner covenants, represents and warrants that it has not engaged and shall not engage in any improper act or practice, or fail to take any action required which would result, absent corrective action (provided that such corrective action is taken in a timely manner), either in the license to operate the System not being granted, or once granted, in such license being rescinded, revoked, or not renewed.

Telephone covenants, represents and warrants that it now is engaged directly or indirectly in the business of affording public landline message telephone service in the Service Area and now holds a valid certificate of public convenience and necessity to engage in such service in the Service Area.

## ARTICLE XI

### Judgments, Indemnification

#### 11.1 Indemnification.

(a) To the extent permitted by law every Person (and the heirs, executors and administrators of such Person) who is or was a member of the Management Committee or any subcommittee shall, in accordance with the provisions of this Section 11.1, be indemnified by the Parties against any and all liability and reasonable expense that may be incurred by such Person in connection with or resulting from any claim,



action, suit or proceeding; provided, that such member of the Management Committee or any subcommittee is wholly successful with respect to any criminal action or proceeding, and had no reasonable cause to believe that his conduct was unlawful. "Claim, action, suit or proceeding" shall include any claim, action, suit or proceeding (whether brought by or in the right of the Partners of the Company, or any other Partnership or otherwise), civil, criminal, administrative or investigative, or threat thereof, in which a member of the Management Committee or any subcommittee (or his heirs, executors or administrators) may become involved, as a Partner or otherwise; either:

- (i) by reason of his being or having been a member of the Management Committee or any subcommittee, or a director or officer of any subsidiary corporation which he served at the request of the Company and of which the Company directly or indirectly is a stockholder or creditor, or in which it is in any way interested; or
- (ii) by reason of his acting or having acted in any capacity in a partnership, association, trust or other organization or entity where he served as such at the request of the Company; or
- (iii) by reason of any action taken or not taken by him in any such capacity, whether or not he continues in such capacity at the time such liability or expense shall have been incurred.

The terms "liability" and "expense" shall include, but shall not be limited to counsel fees and disbursements and amount of judgments, fines or penalties against, and amounts paid in settlement by or on behalf of, a member of the Management Committee or any subcommittee. Notwithstanding the foregoing, no such indemnification shall be made for judgments or amounts in settlement paid to the Partners or the Company. The termination of any claim, action, suit or proceeding, by settlement (whether with or without court approval) or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that a member of the Management Committee or any subcommittee did not meet the standards of conduct set forth in this Section.

(b) Every Person (and the heirs, executors and administrators of such Person) referred to in paragraph (a) of this Section who has been wholly successful with respect to any claim, action, suit or proceeding shall be entitled to indemnification; provided, however, that with respect to any criminal action or proceeding, such person

had no reasonable cause to believe his conduct was unlawful. Every other Person claiming indemnification under paragraph (a) of this Section (and the heirs, executors and administrators of such Person) shall be entitled to indemnification if special independent legal counsel, other than regular counsel of the Partners or the Company, or other disinterested person or persons, in either case selected by the Management Committee, whether or not a disinterested quorum exists (such counsel or person or persons being hereinafter called the "Referee"), shall deliver to the Company his written finding that such member of the Management Committee or any subcommittee has met the standards of conduct set forth in said paragraph (a). The person claiming indemnification shall at the request of the Referee appear before him and answer questions which the Referee deems relevant and shall be given ample opportunity to present to the Referee evidence upon which he relies for indemnification, and the Company shall, at the request of the Referee, make available to him facts, opinions and other evidence in any way relevant to his findings which are within the possession or control of the Company. The term "wholly successful" shall mean termination of any action, suit or proceeding against the Person in question without any finding of liability or guilt against him, or the expiration of any reasonable period of time after the making of any claim or threat of an action, suit or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

(c) Expenses incurred with respect to any claim, action, suit or proceeding may be advanced by the Company (by unanimous action of the Management Committee, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he is subsequently determined to be entitled to indemnification under this Section.

(d) The rights of indemnification provided in this Article XI shall be in addition to any rights to which any such member of the Management Committee or any subcommittee may otherwise be entitled by contract or as a matter of law; provided however that payment of indemnification proceeds hereunder does not result in receipt by the indemnified individual of sums in excess of amounts actually expended with respect to the subject claim action, suit, or proceeding.

(e) Persons who are not members of the Management Committee or any subcommittee of the Company but are employees or agents of the Company or any subsidiary or are directors or officers or employees or agents of any subsidiary may be indemnified to the extent authorized at any time or from time to time by the Management Committee.

(f) Irrespective of the provisions of this Section, the Management Committee may, by unanimous vote, at any time or from time to time, approve indemnification of members of the Management Committee or any subcommittee or other persons to the fullest extent permitted by law, whether on account of past or future transactions.

(g) The Company shall have the power to purchase and maintain insurance on behalf of any person who is or was a member of the Management Committee or any subcommittee, or an employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other organization or entity, against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Company should have the power to indemnify him against such liability under the provisions of this Section.

## ARTICLE XII

### Miscellaneous

12.1 Notices. All notices and demands required or permitted under this Agreement shall be in writing by Certified Mail, return receipt requested, and shall be directed to the respective Party at its address as shown from time to time on the records of the Company. Any Party may specify a different address by notifying all other Parties in writing of such different address. Such notices shall be effective on the third business day after mailing.

12.2 Entire Agreement: Amendments. This Agreement constitutes the entire agreement between the Parties and it supersedes all prior agreements or understandings between them.

12.3 Governing Law. This Joint Venture Agreement and the rights of the Parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Louisiana.

12.4 Binding on Successors. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the Parties and their legal representatives, heirs, administrators, executors, successors and assigns.

12.5 Captions. Captions contained in this Joint Venture Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of the Agreement or any provision thereof.

12.6 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

12.7 Arbitration. (a) In case any disagreement which cannot be resolved by negotiation, shall arise between the Parties with respect to interpretation of this Agreement, any Party may initiate proceedings to submit such disagreement to arbitration by serving written notice of arbitration on the other Partner, which notice shall include appointment of an arbitrator, naming such arbitrator. Within thirty (30) days after the date that such notice is deemed to be given pursuant to the provisions of Section 12.1, the Partner (or group thereof, if applicable) to whom such notice is given shall similarly appoint an arbitrator by giving like written notice to the initiating Partner or Partners; or, failing to make such appointment, the arbitrator initially appointed shall be empowered to act as the sole arbitrator and to render a binding decision. In such event, such sole arbitrator shall set a date for hearing the dispute not later than ninety (90) days after the date of his appointment, and shall render his decision in writing to the disputing Partners not later than sixty (60) days after the last hearing date.

(b) In the event that the disputing Partners duly appoint arbitrators pursuant to subparagraph (a) above, the two arbitrators so appointed shall, within thirty (30) days after the appointment of the later of them to be appointed, select a third arbitrator who shall act as Chairman of the arbitration panel. Such arbitration panel shall set a time for the hearing of the dispute which shall not be later than sixty (60) days after the date of appointment of the third arbitrator, and the final decision of the arbitrators shall be rendered in writing to the disputing Partners not later than sixty (60) days after the last hearing date.

(c) In the event that the arbitrators appointed by the disputing Partners are not able within thirty (30) days after the appointment of the later of them to be appointed to agree on the selection of a third arbitrator, either one of them may request the American Arbitration Association to select a third arbitrator, and the selection of such third arbitrator by such Association shall be binding.

12.8 Other Business. Without affecting the Partners' duty to perform their obligations hereunder in the best interest of the Company, nothing contained herein other than Section 4.5 shall be construed as limiting the right of any Partner or its Affiliates to engage in any business outside of and independent from the Company, including, but not limited to, the resale of cellular service subject to Section 2.2 above, the selling or leasing of terminal equipment used in connection with cellular service in the Service Area, the construction or operation of cellular systems outside of the Service Area, or other communications businesses within or outside of the Service Area. In such event, such Partner shall not be staffed or funded by the Company; and any benefits and/or obligations arising from such independent business shall inure solely to the Partner and not to this Joint Venture.

IN WITNESS WHEREOF, the undersigned have executed this Joint Venture Agreement as of the date and year first above written.

ATTEST:

SJI CELLULAR, INC.

William J Franklin

By:

[Signature]

STAR CELLULAR TELEPHONE COMPANY

William J Franklin

By:

[Signature]



**ATTACHMENT C**  
**AMENDMENT TO JOINT VENTURE AGREEMENT**  
**OF**  
**LA STAR CELLULAR TELEPHONE COMPANY**

**AMENDMENT TO  
JOINT VENTURE AGREEMENT  
OF  
LA STAR CELLULAR TELEPHONE COMPANY**

This Agreement is entered into this 15th day of June, 1990, by and between SJI Cellular, Inc., a wholly-owned subsidiary of SJI, Inc., organized under the laws of the State of Louisiana (hereinafter referred to as "Telephone") and Star Cellular Telephone Company, operating under the laws of the State of Louisiana (hereinafter referred to as "Star").

**WITNESSETH:**

**WHEREAS** Star is a wholly owned subsidiary of United States Cellular Corporation, (hereinafter referred to as "USCC") a Delaware corporation, which, in turn, is a subsidiary of Telephone and Data Systems, Inc., an Iowa Corporation, (hereinafter referred to as "TDS").

**WHEREAS** pursuant to Stock Purchase Agreement dated July 31, 1987, USCC acquired Star, which owns a 49 $\frac{1}{2}$  general partnership interest in La Star Cellular Telephone Company (hereinafter referred to as "La Star").

**WHEREAS** pursuant to the Stock Purchase Agreement of July 31, 1987, USCC was assigned Star's interests and rights in La Star as outline in the Joint Venture Agreement of La Star Cellular Telephone Company, dated September 14, 1983.

**WHEREAS** the parties now seek to amend the Joint Venture Agreement of La Star Cellular Telephone Company to expedite the



processing of La Star's application before the Federal Communications Commission (hereinafter referred to as "FCC" or "Commission").

NOW THEREFORE, in consideration of the mutual premises and covenants contained herein, the Parties amend the Joint Venture Agreement of La Star Cellular Telephone Company, dated September 14, 1983 as follows:

1. Section 4.2 of the Agreement is amended to read as follows:

The Management Committee may act, pursuant to the provisions of this Agreement, through one or more managers, employees or agents. The Management Committee will move expeditiously to appoint a General Manager, or to retain an appropriate entity to manage the System. The Management Committee shall promptly establish an Engineering Subcommittee and may establish one or more additional subcommittees of its members or other representatives of the Parties and may delegate to such subcommittees such functions as it deems appropriate. Each member of a subcommittee shall be entitled to one vote upon matters delegated to the representative subcommittee. Each Party shall be entitled to at least one representative on each such subcommittee.

Meetings of the Management Committee and any subcommittee shall be held at the principal office of the Company or at such other place as may be determined by the Management Committee. Any subcommittee shall meet as required to carry out its assigned functions.

Meetings of the Management Committee or any subcommittee may